

VZCZCXRO5124
PP RUEHAG RUEHROV
DE RUEHDM #0108/01 0321443
ZNY CCCCC ZZH
P 011443Z FEB 07
FM AMEMBASSY DAMASCUS
TO RUEHC/SECSTATE WASHDC PRIORITY 2901
INFO RUEHKK/ARAB ISRAELI COLLECTIVE PRIORITY
RUCNMEM/EU MEMBER STATES COLLECTIVE PRIORITY
RUCQSAB/USSOCOM INTEL MACDILL AFB FL PRIORITY
RUEATRS/DEPT OF TREASURY WASHDC PRIORITY
RUEAIIA/CIA WASHDC PRIORITY
RHEHNSC/NSC WASHDC PRIORITY
RHEHAAA/WHITE HOUSE WASHDC PRIORITY

C O N F I D E N T I A L SECTION 01 OF 03 DAMASCUS 000108

SIPDIS

SIPDIS

NEA/ELA;TREASURY FOR LEBENSON/GLASER/SZUBIN; NSC FOR
MARCHESE

E.O. 12958: DECL: 01/28/2017

TAGS: [EFIN](#) [ECON](#) [ETTC](#) [SY](#) [SANC](#)

SUBJECT: NEW TACTICS FOR APPLYING PRESSURE TO SARG REGIME
SUPPORTERS

REF: 06 DAMASCUS 276

Classified By: Charge d'Affaires Michael Corbin, reasons 1.4 b/d

1. (C) Summary. As the USG continues to consider strategies for increasing the pressure on SARG regime members and supporters, post solicits Washington's feedback on our below suggestions for expanding the use of sanctions against the Syrian regime. Targeted sanctions can help to delegitimize corrupt and repressive elements within the SARG by reminding Syrians that it is the regime and regime supporters exploiting them, and strengthen progressive elements both within the regime and broader society. And unlike the perception of trade sanctions under the Syrian Accountability Act, targeted sanctions make clear for the average Syrian that the USG opposes the regime and its policies, but does not wish to punish the Syrian people - especially when the sanctions target the most notorious regime elements (Ref A). Most Syrians, however, are unaware of U.S. financial sanctions against Syrian individuals and entities) which means that the intended message of financial sanctions does not reach its critical audience. Based on post's previous experience, we suggest exploring the following strategies for raising awareness of USG designations and reinforcing our message to local and international audiences on objectionable SARG policies:

- expanding the media campaign;
- redesignating recalcitrant regime elements;
- leveraging the "threat" of sanctions;
- utilizing alternative mechanisms to "name and shame;"
- expanding the pool of designees; and
- broadening the scope of designation announcements. End Summary.

2. (C) EXPANDED MEDIA CAMPAIGN: Announcements by the White House and Department of State and Treasury on the day of Asif Shawkat's designation greatly increased the local and regional media coverage, ensuring that a range of Syrians knew about the designation immediately. One area where we recommend more effort is reminding Syrians of designations. Finding opportunities to publicize the full list of Syrian designees to date (perhaps connected to the upcoming Syrian election campaigns) or making a point to release statements

on the anniversary of specific designations, such as Shawkat, will help keep attention and pressure on those sanctioned, and will draw attention to a mechanism that both concerns regime insiders and responds to public unhappiness with corruption. Developing backgrounders and interviews for mainstream Arab press, such as Al-Jazeera and al-Hayat, can also broaden local and regional awareness of the designations. Placing stories in specialized media, such as blogs or Arab business magazines, can also have specific impact, for example discrediting regime financiers with international businesses. Beyond media outreach, connecting the designations to specific high-profile events can also create media buzz. Targeting parliamentarians, who are also corrupt financiers (such as Mohammad Hamsho), during the upcoming parliamentary elections, can reveal the real connection between regime supporters and the corruption and repression that harms average Syrians.

13. (C) IS IT POSSIBLE TO REDESIGNATE RECALCITRANT REGIME ELEMENTS?: We also suggest exploring the redesignation of previously sanctioned individuals under additional Executive Orders (E.O.). Although this would not necessarily increase our ability to impose further punishments on the individual, it would keep the public spotlight and pressure on the designee, especially if the public campaign around the designation ties to issues of Syrian concern. For example, Dhu al Himma As-Shaleesh, who was designated for support to Iraqi regime members under E.O. 13315 in June 2005, might now be redesignated under E.O. 13338 for other activities.

14. (C) LEVERAGING THE "THREAT" OF SANCTIONS: We would also like to explore the possibility of developing a mechanism by which we can publicly state that someone is under

DAMASCUS 00000108 002 OF 003

consideration or investigation for sanctionable acts. We believe that we could gain just as much public relations benefit from announcing potential sanctions as we do when we actually designate. Additionally, we would increase pressure on potential designees to change their behavior (a benefit that outweighs the remote possibility that assets will be identified and seized after the designation). For example, it was during the announcement of "pending" sanctions against the Commercial Bank of Syria, that we saw both heightened concern from SARG officials and some behavioral changes. And although we would need to use this method judiciously to remain credible, we think it would work especially well in encouraging behavior change on the part of regime financiers who are also dependent on international business.

15. (C) CAN WE USE ALTERNATIVE MECHANISMS TO "NAME AND SHAME?": We also recommend broadening the basket of tools being used to "name and shame" the regime and regime supporters. There are other entities within the U.S. government structure, including the Securities and Exchange Commission (SEC) and Department of Commerce, which could potentially launch investigations against and publicly raise awareness of individuals and entities supporting the SARG and SARG policies through illicit business activities. Media reports in November 2006 that the SEC was investigating Ford's operations in Syria prompted Ford's local representative, a businessman with extensive ties to regime insiders, to raise the issue informally with the Embassy) insisting that his operations were completely legal. A related mechanism could target dual-citizen Americans for criminal prosecution in the United States for their actions in support of the SARG. Some Syrian businessmen and regime insiders have managed to acquire U.S. citizenship for convenience, which may exempt them from certain USG actions. Within the limits of U.S. laws, there may be actions that the USG can take against such Americans. For example, Syrian-American Khalid Mahjoub reportedly has close ties to both the regime and Iranian intelligence.

16. (C) EXPANDING THE POOL OF DESIGNEES: We would also like to

define further the necessary threshold for instituting designations under the current Executive Orders. Designation cases must ultimately be proven with public documentation, and, in Syria's closed society, multiple open source reports to incriminate potential designees often don't exist. We would suggest Washington look carefully at ways to expand the types of evidence for instituting a designation) allowing us to propose individuals in a more timely and effective manner. For example, SyriaTel, owned primarily by President Asad's first cousin Rami Mahklouf, transmitted text messages to all of its clients encouraging them to participate in pro-Hizballah demonstrations during last summer's conflict in Lebanon. Do Syriatel's actions constitute indirect support for the SARG's policy of destabilization in Lebanon and thereby implicate Mahklouf by extension as the owner of Syriatel?

17. (C) WHAT ARE THE PARAMETERS FOR BROADENING THE SCOPE OF DESIGNATION ANNOUNCEMENTS?: Designating, and publicly "naming and shaming," Syrian individuals and entities for actions sanctioned by existing E.O.s is an effective tool to pressure the SARG. We would also like to explore broadening the scope of designation announcements so they resonate inside Syria. One way may be to highlight the ties of targeted figures to corruption and internal repression. For example, in August 2006, Hisham Ikhtiyar was designated for his support to Hizballah and other terrorist organizations. Hizballah is popular in Syria and those supporting it are viewed as standing up for Arab dignity. Yet, Ikhtiyar is not popular in Syria and has been one of the regime figures most prominently linked to internal repression. Focusing our public comments on his active repression of civil society could both increase the public's interest and provide an additional tool for Syrian opposition members to de-legitimize repressive SARG elements.

18. (C) Comment. Sanctions in and of themselves will not be as effective as intended unless we can reach a broader domestic and regional audience with our messaging. By enlarging the scope of designations and public awareness, we can increase pressure on the worst elements of the Syrian

DAMASCUS 00000108 003 OF 003

regime. Additionally, by refocusing our efforts to highlight designees ties to corruption and internal repression that impact all Syrians, our message will have a greater impact in Syria. End Comment.
CORBIN